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File No. O. Sugarcane Cess 52

P 3F

Legal Department-
A **BRANCH**

Subject:— Opinions under the Bombay Sugarcane Cess Act 1948

File No. O Sugarcane Cess/52

Gen. 194 a.

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C O N T E N T S.

Legal Department File No. O. Sugarcane Cess/52

Serial No.	B.I./O.No.	Subject	Pages.
		Opinions under the Bombay Sugarcane Cess Act, 1948.	
1)	O.No. 1938/6-2-52	Question 1) Whether the advancing of loans for the development and improvement of the cultivation growth and marketing of sugarcane can be considered to be a valid purpose for which the Bombay Sugar cane Cess can be utilised under sec. 11(2) of the Act. 2) Whether under the Act it would be feasible to invest the fund in the purchase of shares of cooperative sugar factories instead of advancing loans to such factories.	

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Ref/6/12 DG) 14/6.

Office of the R.L.A.

The questions raised for the R.L.A.'s consideration are:-

(1) Whether the advancing of loans for the development and improvement of the cultivation, growth and marketing of sugar-cane can be consider-ed to be a valid purpose for which the Bombay sugar-cane cess can be utilised under section 11(2) of the Bombay Sugar-cane Cess Act, 1948;

(2) Whether under the Act it would be feasible to invest the fund in the purchase of shares of co-operative sugar factories instead of advancing loans to such factories.

2 Sub-section (2) of section 11 of the Bombay Sugarcane Cess Act, 1948, provides that the sugarcane cess fund shall be expended in such manner and under such conditions as may be prescribed for the purposes of the development and improvement of cultivation, growth and marketing of sugarcane and other irrigated crops, for the development of sugar industry and for the improvement and development of agriculture in general in the State of Bombay. Under this provision the fund can be expended for three purposes:(i) the development and improvement of cultivation, growth and marketing of sugarcane; (ii) development of sugar industry; and (iii) the improvement and development of agriculture in general "To expend" is to spend; expenditure is spending money or amount expended (see Iyer's Law Lexicon, p. 417). "Expend" means to pay out, use up, consume (see Black's Law Dictionary, p. 724). The ordinary meaning of the word "expend" is to spend or consume. If spending of sugarcane cess fund is permissible for the purposes mentioned in sub-section (2) of section 11, the investment of that fund either by

advancing loans or purchase of shares of co-operative sugar factories would be impliedly permissible under that provision as such investment would be user of that amount short of consumption. The purposes for which the loans are proposed to be advanced and the shares of co-operative sugar factories are intended to be purchased are apparently covered by sub-section (2) of section 11. Consequently, the reply to both the questions would be in the affirmative.

Id./ P.M.L. 5/2

Remembrancer of Legal Affairs

U.R. to D.D., No. 1938, dated the 6th February 1952.

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